

Program E: Unemployment Benefits Program

Program Authorization: R.S. 23:1471, Wagner-Peyser Act of 1983, Social Security Act of 1935, and Federal Unemployment Tax Act (FUTA)

PROGRAM DESCRIPTION

The mission of the Unemployment Benefits Program is to promote a stable, growth-oriented Louisiana through the administration of a solvent and secure Unemployment Insurance Trust Fund, supported by employer taxes. It is also the mission of this program to pay Unemployment Compensation Benefits to eligible unemployed workers.

The goal of the Unemployment Benefits Program is to provide financial security to unemployed workers through timely and accurate payment of Unemployment Compensation Benefits funded by employers' payments of quarterly unemployment taxes.

The Unemployment Benefits Program administers the Unemployment Insurance Trust Fund supported by employer taxes to pay Unemployment Compensation Benefits to eligible unemployed workers. The program's main activities include payment of unemployment claims, investigation of claims, review and determination of appealed cases, and collection of unemployment taxes.

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2000-2001. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

The objectives and performance indicators that appear below are associated with program funding in the Base Executive Budget for FY 2000-01. Specific information on program funding is presented in the financial sections that follow performance tables

1. (KEY) To pay unemployment benefits within 14 days of the first payable week ending date and recover \$3,000,000 of unemployment benefit overpayments.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Percentage of intrastate initial claims payments made within 14 days of first compensable week	87%	87%	90%	90%	90%	90%
K	Percentage of interstate initial claims payments made within 14 days of first compensable week	70%	78.3%	76%	76%	76%	76%
K	Amount of overpayments recovered	Not applicable ¹	\$2,961,170	\$2,500,000	\$2,500,000	\$3,000,000	\$3,000,000

¹ Indicator was revised for FY 1999-2000. The indicator was previously reported as the percentage of overpayments recovered.

2. (KEY) To collect 100% of unemployment taxes from liable employers, quarterly depositing 95% of taxes in 3 days, in order to provide benefits to the unemployed worker and maintain the solvency and integrity of the Unemployment Trust Fund.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Percentage of liable employers issued account numbers within 180 days	80%	85.7%	83%	83%	83%	83%
K	Percentage of monies deposited within 3 days ¹	90%	0%	95%	95%	95%	95%
S	Number of audits performed	1,900	1,523	1,680	1,680	1,680	1,680

¹ Annual calculation, reported in the 1st quarter of each fiscal year.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1998-1999	ACT 10 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$0	\$0	\$0	\$0	\$0	\$0
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	1,800,591	7,900,000	7,900,000	0	0	(7,900,000)
Statutory Dedications	0	0	0	3,900,000	3,900,000	3,900,000
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	27,706,996	15,354,515	15,354,515	12,358,212	11,572,503	(3,782,012)
TOTAL MEANS OF FINANCING	<u><u>\$29,507,587</u></u>	<u><u>\$23,254,515</u></u>	<u><u>\$23,254,515</u></u>	<u><u>\$16,258,212</u></u>	<u><u>\$15,472,503</u></u>	<u><u>(\$7,782,012)</u></u>
EXPENDITURES & REQUEST:						
Salaries	\$6,148,523	\$8,803,837	\$8,803,837	\$8,803,837	\$7,301,766	(\$1,502,071)
Other Compensation	161,467	78,530	78,530	78,530	78,530	0
Related Benefits	1,278,435	1,652,113	1,652,113	1,652,113	1,373,331	(278,782)
Total Operating Expenses	2,210,636	4,140,933	4,140,933	4,212,955	4,140,933	0
Professional Services	466,408	500,000	500,000	500,000	500,000	0
Total Other Charges	18,310,443	6,079,102	6,079,102	79,102	77,943	(6,001,159)
Total Acq. & Major Repairs	931,675	2,000,000	2,000,000	931,675	2,000,000	0
TOTAL EXPENDITURES AND REQUEST	<u><u>\$29,507,587</u></u>	<u><u>\$23,254,515</u></u>	<u><u>\$23,254,515</u></u>	<u><u>\$16,258,212</u></u>	<u><u>\$15,472,503</u></u>	<u><u>(\$7,782,012)</u></u>
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	440	440	440	440	211	(229)
Unclassified	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>0</u>
TOTAL	<u><u>441</u></u>	<u><u>441</u></u>	<u><u>441</u></u>	<u><u>441</u></u>	<u><u>212</u></u>	<u><u>(229)</u></u>

SOURCE OF FUNDING

This program is funded with Statutory Dedications and Federal Funds. The Statutory Dedications are derived from the Unemployment Trust Fund monies. These are federally appropriated funds to each Department of Labor. The Federal Funds are granted to each employment security agency, under the Social Security Act.

	ACTUAL 1998-1999	ACT 10 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
E. Sec Adm. Fund - Workforce Development Training Account	\$0	\$0	\$0	\$3,900,000	\$3,900,000	\$3,900,000

ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$0	\$23,254,515	441	ACT 10 FISCAL YEAR 1999-2000
			BA-7 TRANSACTIONS:
\$0	\$0	0	None
\$0	\$23,254,515	441	EXISTING OPERATING BUDGET – December 3, 1999
\$0	\$54,980	0	Annualization of FY 1999-2000 Classified State Employees Merit Increase
\$0	\$74,957	0	Classified State Employees Merit Increases for FY 2000-2001
\$0	\$2,000,000	0	Acquisitions & Major Repairs
\$0	(\$2,000,000)	0	Non-Recurring Acquisitions & Major Repairs
\$0	(\$161,965)	0	Attrition Adjustment
\$0	(\$1,749,984)	(229)	Other Technical Adjustments - This is a technical adjustment to realign positions to the proper program based on historical spending patterns.
\$0	(\$6,000,000)	0	Other Technical Adjustments - This is a technical adjustment to correct the means of finance for the incumbent worker training fund and to move this funding to the Job Training and Placement Program.
\$0	\$15,472,503	212	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$0	\$15,472,503	212	BASE EXECUTIVE BUDGET FISCAL YEAR 2000-2001
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None

\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$0	\$15,472,503	212	GRAND TOTAL RECOMMENDED

The total means of financing for this program is recommended at 66.5% of the existing operating budget. It represents 99.3% of the total request (\$15,576,553) for this program. The 33.5% decrease is due to non-recurring acquisitions/major repairs, technical adjustment to realign positions and a technical adjustment to correct the means of financing for the incumbent worker training fund. This program does not have any positions that have been vacant for 1 year or more.

PROFESSIONAL SERVICES

\$33,543	Accounting/Auditing services for Employment Security Grants as required by federal regulations
\$466,457	Attorney fees for collecting delinquent unemployment taxes
\$500,000	TOTAL PROFESSIONAL SERVICES

OTHER CHARGES

\$47,199	Disaster Unemployment Assistance (DUA) - This program is enacted when disaster is declared in Louisiana by the President of the United States. Trade Readjustment Assistance (TRA) - This program benefits individuals who are displaced from their jobs because of foreign trade. The company could move overseas or have a layoff due to foreign competition. Unemployment Compensation Federal Employees (UCFE-UCX) - Unemployment Compensation Exservicemen - Both of these programs are for military employees that are separated from their jobs. The Federal Government pays 100% of the benefits.
\$47,199	SUB-TOTAL OTHER CHARGES

Interagency Transfers:

\$30,744	Rent In-state owned Buildings
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\$30,744	SUB-TOTAL INTERAGENCY TRANSFERS
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\$77,943	TOTAL OTHER CHARGES
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ACQUISITIONS AND MAJOR REPAIRS

\$2,000,000	Funding provided for the following equipment: CPU upgrade, DASD upgrade, SILO upgrade, Servers upgrade, network upgrade, computer system support services, software, inserter and printers, Communication controller, and client expansion
\$2,000,000	TOTAL ACQUISITIONS AND MAJOR REPAIRS